

# Property Tax Relief for Historic Building Renovations

## The Special Valuation Program

Planning to do work on a historic property in the City of Walla Walla??

Consider taking advantage of the [special valuation program](#). The goal of the program is to reduce the disincentive of increased property taxes that may be created when a property undergoes significant renovations. This helps us keep our valuable existing buildings in use. Both residential and commercial properties are eligible.

“Special valuation” is the revision of the assessed value of a historic property, which subtracts such rehabilitation costs as are approved by the [City of Walla Walla Historic Preservation Commission](#).

To receive credit, projects must comply with the [Washington State Advisory Council’s Standards for Rehabilitation](#). Projects will not be limited to only restoration costs; you do not have to restore the building to look like it did when it was built. But you must maintain the historic character and integrity of the building. If you do that, then compatible, contemporary design for alterations and additions are allowed.

### Property Tax Relief

Special valuation is calculated by subtracting qualified expenditures for rehabilitation from the total assessed value of the property. This special valuation remains in effect for a period of ten years.

### Eligibility Requirements

- Your building is listed on the local or national registers of historic places;
- You have rehabilitated your historic building within the last 2 years; and
- The cost of rehabilitation was at least 25% of the assessed value of your building prior to rehabilitation.

### Qualified Expenditures

Qualified expenditures are the same as those required for Federal Investment Tax Credits ([see 26 CFR 1.48-12\(c\)](#)) and include the following expenses. Improvements made to the building within the building’s perimeter which retain, support or re-

establish the building’s historic character

- Permit and design fees
- Loan interest
- State sales tax

### How to Apply

Applications must be submitted to the Walla Walla County Assessor no later than October 1 to receive tax relief for the following year. The Assessor will review the application for completeness and forward it to the Historic Preservation Commission (via the WWJCDA), within 10 days. The Historic Preservation Commission will review your application and approve or deny your request no later than December 31 of the application year.

Application information is available on the [WWJCDA website \(see link below\)](#).

### Tips and Recommendations

- You are strongly encouraged to consult the WWJCDA and the Commission before beginning a rehabilitation project. Early consultation will help ensure that the approval process goes smoothly and you get the most credit possible.
- Information on nominating a property to the City of Walla Walla Register of Historic Places is available from the WWJCDA.
- There are other tax incentives and economic benefits to historic preservation projects; more information is available from the WWJCDA, the Historic Preservation Commission, and the [Washington State Department of Archaeology and Historic Preservation](#).

### For More Information

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